

BY-LAWS INDEPENDENT ELECTRICAL CONTRACTORS of SOUTHERN ARIZONA, Inc.

ARTICLE I—NAME; OFFICE; REGISTERED AGENT

Section 1. Name. The name of this Corporation is the “Independent Electrical Contractors of Southern Arizona, Inc.”

Section 2. Principal Office. The principal office of the Corporation will be in Pima County, Arizona, as determined by the Board of Directors.

Section 3. Registered Agent. The Corporation will have and continuously maintain a registered office and a registered agent in the State of Arizona, as required by Arizona state law. The registered agent shall be either an individual resident of the State or a corporation authorized to transact business in the State.

ARTICLE II—PURPOSE AND MISSION

Section 1. Organization. The Corporation is a membership organization and is the local chapter of the Independent Electrical Contractors, Inc., which is a national trade association for independent electrical and systems contractors. However, the Corporation is independently managed and operated through its own Board of Directors as set forth in these By-laws.

Section 2. Geographic Area. The Corporation’s geographic area presently includes Pima, Cochise, and Santa Cruz Counties. The Board of Directors, with approval of the national IEC, may modify this geographic area from time to time.

Section 3. Purpose. The Corporation’s purpose is to promote and serve the common business interests of the independent electrical and systems contractor industry in its geographic area and through its affiliation with the national IEC.

Section 4. Mission. The Corporation’s mission is to enhance its Members’ success by developing a highly-qualified and professional workforce through a registered Apprenticeship Program, communicating clearly with government, promoting ethical business practices, and providing leadership for the electrical industry.

Section 5. Not-for-profit. The Corporation is organized as a not-for-profit membership organization under Arizona law, and a tax exempt organization under Internal Revenue Code 501(c)(6).

ARTICLE III—MEMBERS

Section 1. Membership Classes and Qualifications. The Corporation has several membership classes as designated in this Section. This Section also provides the membership qualifications for each class. All Members must support and abide by the Corporation’s purpose and mission as set forth in these Bylaws and in the Corporation’s Articles of Incorporation. Specifically, all Members must agree to promote and

support the interests of the independent electrical and systems contracting industries. All Members must pay dues, assessments, or fees as established by the Board of Directors.

Regular Members. Regular members will consist of those business organization, whether an individual, firm, corporation or other business organizations, qualified to engage in business in the state of Arizona as an electrical contractor who is currently licensed to do business as such by the Arizona Registrar of Contractors, where licensing is required.

Associate Members. A business must be engaged in the business of supplying materials, tools, and equipment directly to independent electrical and systems contractors or engaged in providing services to independent electrical and specialty contractors in specialties, such as law, insurance, utilities, education, training, and manufacturing representatives, and any other specialties approved by the Board of Directors to qualify as an Associate Member. Associate Members are not eligible to vote, but may serve on and Chair committees. One Associate Member will serve on the Board of Directors with voting privileges.

Honorary Members. An Honorary Membership may be conferred upon any person, firm, corporation or other business organization, upon the recommendation of the Board of Directors based upon outstanding services to this association or to the public for a major contribution to the progress of the electrical industry. The Membership must approve the recommendation by a 2/3 vote.

Section 2. Ratio of Regular Members to Associates Members. The number of Associate Members shall not exceed 1/2 the number of Regular members, except that no Associate Member shall be removed due to attrition by Regular Members.

Section 3. Designated Representative of Members. Each Regular Member shall, from time to time, designate in writing an individual associated with such member's business whom the Chapter may and shall recognize as being empowered to exercise the rights and privileges of such member as its designated representative.

Section 4. Admission to Membership. Application for membership shall be made on forms provided by the Chapter. Admission to membership shall only be by approval of the Board of Directors.

Section 5. Liability. No member shall be personally liable for the debts of the Chapter, but all members shall be liable for dues to the Chapter.

Section 6. Meetings.

a. **Annual Meeting.** The Corporation must hold an Annual Meeting of the Members in October or November at such date, time and place as the Board of Directors determines. During the Annual Meeting, Regular Members will have the right to vote on the election of Directors and the transaction of any other business. The Board of Directors must give ten (10) days prior written notice of the Annual Meeting.

b. **Special Meetings.** Special Meetings of the Members may be called by the President or upon written request signed by a majority of the Regular Members. Regular Members must receive no less than ten (10) days prior written notice of Special Meetings, unless the Regular Members will be voting on amendments to the By-laws.

Section 7. Quorum and Voting. A quorum for any meeting of Regular Members is twenty-five percent (25%) of the Regular Members in good standing. Each Regular Member in good standing or a designated company employee representative will have one vote at any meeting of the Regular Members. No Member can vote proxy for another Member. A majority of the votes cast by Regular Members present at a meeting at which a quorum is present shall constitute the action of the Members.

Section 8. Termination. The Board of Directors may terminate a Member by a 2/3 vote of the full Board for cause, which is defined as failing to support the Corporation's purpose or mission, or failure to pay any dues, assessments, or fees. The Regular Members may also terminate a Member by a 2/3 vote of all Regular Members for cause.

ARTICLE IV—BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors will direct, control, and supervise the operations and finances of the Corporation and adopt any policies or rules necessary to carry out its duties. The Board of Directors will have all powers granted to it by the Articles of Incorporation, these By-laws and applicable provisions of Arizona law, that do not conflict with the Articles of Incorporation and By-laws.

Section 2. Number and Qualifications. The Board of Directors will consist of no less than seven (7) and no more than eleven (11) elected Directors and Officers who are Regular Members. In addition, one Associate Member will serve on the Board of Directors with voting rights representing Associate Members in the Chapter and the Past President will serve as an additional Director.

Section 3. Election and Term of Office.

- a. Only Regular Members will elect Directors at the Annual Meeting of the Members. Those nominees who receive the largest number of votes of those Regular Members present at the Annual Meeting will be elected to the Board of Directors.
- b. Directors will serve a term of three (3) calendar years. New Directors begin their terms on January 1 of the year following the election. Director terms shall be staggered so that approximately one-third of all Director positions will be vacant at each Annual Meeting of the Members.
- c. The Nominating Committee must notify the Secretary at least fourteen (14) days before the date of the Annual Meeting of the names of the candidates it proposes and the Secretary and must then notify all Regular Members of the candidates at least ten (10) days before the Annual Meeting.

Section 4. Resignation. Any Director may resign at any time by giving written notice to the President of the Corporation. Such resignation will take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the President of the Corporation.

Section 5. Removal.

- a. Any Director may be removed, with or without cause, by a two-thirds vote of the Board of Directors present at any Board of Directors meeting. The notice of any meeting of the Board of Directors to remove any Director(s) must state the specific Director(s) to be removed.

b. A proposed removal of any Director(s) at a meeting requires a separate vote for each Director sought to be removed. Where removal is sought by written agreement, a separate agreement is required for each Director to be removed. If removal is effected at a meeting, any vacancies created thereby must be filled by the Board of Directors at the same meeting. Any Director who is removed is not eligible to stand for re-election until the next Annual Meeting of the Members. Any Director removed from office must turn over to the Board of Directors within 72 hours any and all records or property of the Corporation in his or her possession.

c. The Board of Directors may remove any Director for lack of attendance at Board of Directors meetings or other reasonable cause.

Section 6. Vacancies. Vacancies will be filled by the Board of Directors until the next election.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held with notice of the date, time, place, or purpose of the meeting.

Section 8. Special Meetings. The President or a majority of all Directors in office may call a Special Meeting of the Board of Directors. Written notice of the date, time, place, and purpose of any Special Meeting must be given at least ten (10) days prior to the meeting.

Section 9. Quorum. A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 10. Manner of Acting.

a. The affirmative vote of a majority (or greater, as otherwise required) of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Each Director shall have one vote. If a Director cannot attend a Board of Directors meeting in person or as permitted in Section 12, he or she can vote in writing on specific issues, but cannot submit a general proxy. Such limited proxies count toward the quorum requirement.

b. The Board of Directors may take action without a meeting if one or more written consents to the action are signed by all of the Directors. Action taken under this Section is effective when the last Director signs a consent, unless the consent specifies a different effective date. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

Section 11. Telephone or Other Meeting Participation. Any Directors may participate in any meeting of the Board of Directors by means of a conference telephone or similar telecommunications device, which allows all persons participating in the meeting to hear each other. Participation by telephone will be equivalent to presence in person at the meeting for all purposes.

Section 12. No Compensation for Board of Directors Service. No Board of Directors member will receive compensation for service as a Board Member.

Section 13. Conflicts of Interest.

a. If any Director has a conflict of interest that might properly limit such Director's fair and impartial participation in Board of Directors deliberations or decisions, such Director shall inform the Board as to the circumstances of such conflict. If those circumstances require the non-

participation of the affected Director, the Board of Directors may nonetheless request from the Director any appropriate non-confidential information which might inform its decisions. "Conflict of interest," as referred to herein, shall include but not be limited to, any transaction by or with the Corporation in which a Director has a direct or indirect personal interest, or any transaction in which a Director is unable to exercise impartial judgment or otherwise act in the best interests of the Corporation.

b. No Director shall cast a vote, nor take part in the final deliberation in any matter in which he or she, members of his or her immediate family or any organization to which such Director has allegiance, has a personal interest that may be seen as competing with the interest of the Corporation. Any Director who believes he or she may have such a conflict of interest shall so notify the Board of Directors prior to deliberation on the matter in question, and the Board shall make the final determination as to whether any director has a conflict of interest in any matter. The minutes of the Board of Directors meeting shall reflect disclosure of any conflict of interest and the recusal of the interested Director.

ARTICLE V—OFFICERS

Section 1. Officers. The Officers of the Board of Directors of the Corporation will be President, Vice President, Secretary, and Treasurer. These Officers must perform the duties prescribed by these By-laws and they will have such additional authority and duties as the Board of Directors may determine from time to time.

Section 2. Election and Term. The incoming Officers will be elected at the Annual Membership Meeting as required in Article IV, Section 3. Officers will hold office for one calendar year. Officers cannot serve more than three (3) consecutive terms in the same office.

Section 3. Resignation. Any Officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect at the time specified in the notice, or if no time is specified, then immediately.

Section 4. Removal. Any Officer may be removed from office, with or without cause, by a two-thirds vote of the Board of Directors at any meeting of the Directors called expressly for that purpose.

Section 5. Vacancies. A vacancy in any office shall be filled by the Board of Directors for the unexpired term.

Section 6. President. The President shall be the principal elected Officer of the Corporation, shall preside at meetings of the Corporation and the Board of Directors, and shall be a member with right to vote on all Committees. It is his or her responsibility to appoint all Chairs of Committees and replace same if the duties are not performed satisfactorily. He or she shall also, at the Annual Meeting of the Members and at such other times as he or she deem proper, communicate to the Chapter or to the Board of Directors such matters and make such suggestions as may, in his or her opinion, tend to promote the welfare and increase the usefulness of the Chapter and shall perform such other duties as are necessarily incident to the Office of the President or as may be prescribed by the Board of Directors. The President is the primary contact between the Board of Directors and the Executive Director.

Section 7. Vice President. The Vice President may be delegated by the President to perform his or her duties in the event of his or her temporary disability or absence from meetings, and shall have the pri-

mary responsibility to coordinate the functioning of all committees and other duties as the President or the Board of Directors may assign. He or she shall succeed to the Office of President should that office become vacant during the term.

Section 8. Secretary. It shall be the Secretary's duty to give notice of and attend all meetings of the Chapter, to keep a record of all proceedings, to attest documents and perform such other duties as are usual for such officials or as may be duly assigned to him or her.

Section 9. Treasurer. The Treasurer shall keep an account of all money received and expended for the use of the Chapter and shall make disbursements authorized by the Board of Directors and approved by the President and such other Officers as the Board may prescribe. He or she shall deposit all sums he or she receives in the bank approved by the Board of Directors and shall make a report at the Monthly Meetings. Funds may be drawn only on the signature of persons approved by the Board of Directors. The funds, books, and vouchers in his or her hands shall at all times be subject to verification and inspection by the Board of Directors.

Section 10. Compensation. Officers will not receive compensation for their services.

ARTICLE VI—COMMITTEES

Section 1. General. The Association must have the standing Committees named in this Article. The Association may have additional Committees as the President or Board of Directors deems necessary. All Committees must have two or more Members. The President must appoint all Committee Chairs who then appoint all Committee Members, unless otherwise provided below. The Board of Directors may remove any Committee Chairs or Members. All decisions made by any Committees are subject to approval or rescission by the Board of Directors.

Section 2. Nominating Committee. The President must appoint a Nominating Committee Chair and two Regular Members. The Nominating Committee must nominate candidates for the Board of Directors at least fourteen (14) days before the Annual Meeting of the Members.

Section 4. Apprenticeship Committee.

a. To accomplish the Corporation's mission to enhance its Members' success by developing a highly-qualified and professional workforce, the Corporation must maintain an Apprenticeship Program in compliance with the State of Arizona Department of Commerce rules and regulations related to Apprenticeship Programs.

b. The Apprenticeship Committee must oversee the Apprenticeship Program and report to the Board of Directors at least monthly the status of the Apprenticeship Program. The monthly reports must consist of enrollment and financial information, at a minimum, so that the Board of Directors can assess the state of the Apprenticeship Program and its compliance with Arizona law. At the Annual Meeting of the Corporation's Members, the Apprenticeship Committee Chair must deliver a State of the Program report and presentation, which must include information regarding qualifications, recruitment, selection, employment, and training of apprentices.

Section 5. Membership Committee. The President may appoint a Membership Committee Chair and two persons Regular and/or Associate Members. The Membership Committee is responsible for developing a membership approval process with approval of the Board of Directors.

ARTICLE VII—EXECUTIVE DIRECTOR

Section 1. Responsibilities. The Board of Directors may employ an Executive Director either directly or through a hired association management company, who will have executive responsibility for the daily operations of the Corporation and will have authority to hire, train, discipline, and dismiss employees according to policies approved by the Board. The Executive Director will attend all meetings of the Board of Directors, unless the Board decides otherwise.

Section 2. Performance and Compensation Reviews. The Board of Directors must conduct performance and compensation reviews of the Executive Director or management company annually or at any such time as the Board determines it should conduct a performance or compensation review.

ARTICLE VIII—AMENDMENTS

Regular Members may amend these By-laws by a two-thirds vote of a quorum of Regular Members at any Annual Meeting or Special Meeting only if the Board of Directors notifies Regular Members at least thirty (30) days in advance of the Meeting of the exact amendments to be made.

ARTICLE IX—FISCAL YEAR

The Corporation's fiscal year is from January 1 through December 31.

ARTICLE X—MISCELLANEOUS

Section 1. Indemnification. Every person who is or shall be or shall have been a Director, Officer, employee, volunteer, or agent of the Corporation and his or her personal representatives shall be indemnified and held harmless by the Corporation against all costs and expenses reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit, or proceeding to which he or she may be made a party by reason of his or her being or having been a Director, Officer, employee, volunteer, or agent of the Corporation or of any subsidiary or affiliate thereof, except in relation to such matters as to which he or she shall finally be adjudicated in such action, suit or proceeding to have acted in bad faith and to have been liable by reason of willful misconduct or willful negligence in the performance of his or her duty as Director, Officer, employee, volunteer, or agent. Costs and expenses of actions for which this Article provides indemnification shall include, among other things, attorneys' fees, damages and reasonable amounts paid in settlement. The Corporation shall carry as part of its normal operating expense an insurance policy of indemnification for the Director, Officer, employee, volunteer, agent, the specific extent and type of such policy shall be determined on an annual basis by the members of the Board of Directors.

Section 2. Bonding. If requested by the Board of Directors, any person entrusted with the handling of funds or valuable property of the Corporation will provide, at the expense of the Corporation, a fidelity bond, approved by the Board of Directors.

ARTICLE XI—ROBERTS RULES OF ORDER

In all cases, the corporation shall use Roberts Rules of Order, Newly Revised, to govern the conduct of meetings of the Board of Directors or Membership.